

(Washington, D.C.) -- U.S. Representative Chet Edwards applauded the Credit Cardholders' Bill of Rights, which takes effect today. The law, strongly supported by Edwards, provides common sense protections for consumers by ending credit card practices that the U.S. Federal Reserve has called "unfair, deceptive, and anti-competitive." The bill passed last year by strong bipartisan votes of 361 to 64 in the House and 90 to 5 in the Senate.

**"This law will put in place common sense protections for Texas families to end unfair credit card practices that have gouged people for years," said Edwards, a member of the Financial Services Appropriations Subcommittee. "After years of being blocked by special interests and big Wall Street banks, we finally have a common sense law that will protect hard-working families from deceptive credit card practices."**

In 2008, credit-card issuers imposed \$19 billion in penalty fees on families carrying credit card balances—up more than 50% since 2003 and accounting for nearly half of the \$40.7 billion in industry profits. The new law bans retroactive interest rate hikes on existing balances (except when payments are more than 60 days late), double-cycle billing and due-date gimmicks by requiring credit card companies to mail bills 21 days before the due date, and stops companies from charging over-the-limit fees unless the consumer opts in. Consumers will save at least \$10 billion a year from curbs on interest rate increases alone, according to the Pew Charitable Trust which tracks credit card issues .

**"It is up to individuals and families to exercise personal responsibility and to not get over extended on their credit cards, but credit card companies should not be able to unfairly take advantage of hard-working families," said Edwards. "This new law levels the playing field for families and holds credit card companies accountable."**

Specifically, the law increases notice of any rate hikes going forward on new purchases to 45 days, requires card companies to fairly credit and allocate payments and prohibits charging fees just to pay a bill by phone. It also protects young consumers by requiring that before cards can be issued to anyone under 21, a parent must co-sign or an ability to pay must be demonstrated.

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